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*Attorneys for Defendants Wells Fargo Bank, N.A.
and Wells Fargo Home Mortgage, Inc.*

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

ELRETHA PERKINS and LARONICA
JOHNSON, individually and on behalf of all
others similarly situated.

Plaintiffs,

vs.

WELLS FARGO, N.A., a Delaware Corporation; WELLS FARGO HOME MORTGAGE, INC., a Delaware Corporation.

Defendants.

CASE NO. 3:22-cv-3455-JD

**DEFENDANT WELLS FARGO BANK,
N.A.'S ANSWER TO PLAINTIFFS'
CLASS ACTION COMPLAINT**

1 Defendant Wells Fargo Bank, N.A. (“Wells Fargo Bank”),¹ erroneously named as Wells
 2 Fargo, N.A., hereby answers the Class Action Complaint (“Complaint”) filed by Plaintiffs Elretha
 3 Perkins and Laronica Johnson (collectively, “Plaintiffs”).

4 Plaintiffs allege that they were discriminated against by Wells Fargo Bank’s residential
 5 mortgage practices. They maintain that they represent a class of similarly situated persons that
 6 have been harmed by discrimination against African Americans, as well as other racial minorities,
 7 through Wells Fargo Bank’s lending process.

8 Wells Fargo Bank vigorously denies the allegations. Wells Fargo Bank is confident that it
 9 follows relevant government-sponsored enterprise guidelines in its decision-making regarding
 10 home lending and its underwriting practices are consistently applied regardless of a customer’s
 11 race or ethnicity.

12 Moreover, Wells Fargo Bank has a strong history of supporting minorities in achieving
 13 their homeownership goals. Over the last decade, 2011-2020, Wells Fargo Bank has helped as
 14 many Black families purchase homes as the next three largest bank lenders combined.
 15 Additionally, in 2020, Wells Fargo Bank was the largest bank lender for home mortgages to Black
 16 families and helped more Black homeowners refinance their mortgages than any other bank.

17 **WELLS FARGO BANK’S ANSWER TO SPECIFIC ALLEGATIONS**

18 1. Wells Fargo Bank admits the allegations in paragraph 1.

19 2. Answering paragraph 2, Wells Fargo Bank denies that it places African American
 20 and other racial minorities at a structural disadvantage.

21 3. Answering paragraph 3, Wells Fargo Bank denies that it placed “‘greenlines’”
 22 around neighborhoods that were predominantly white Anglo-Saxon and Northern European, and
 23 ‘redlines’ around neighborhoods that were predominantly African American and other racial
 24 minority populations.”

25 4. Answering paragraph 4, Wells Fargo Bank denies the allegations. Wells Fargo

27 ¹ For purposes of this Answer, “Wells Fargo Bank” also includes Wells Fargo Home
 28 Mortgage, Inc., which was merged into Wells Fargo Bank in 2004 and no longer exists as a
 separate legal entity.

1 Bank specifically denies that it engaged in the “discriminatory practice of ‘redlining,’” that it
 2 denied African American home loan applicants more often than their similarly situated white
 3 counterparts, that it gave less favorable terms to African American home loan applicants than their
 4 similarly situated white counterparts, or that it gave inferior treatment as part of the home loan
 5 application process to African American home loan applicants than to their similarly situated
 6 white counterparts.

7 5. Wells Fargo Bank admits the allegations in paragraph 5.

8 6. Answering paragraph 6, Wells Fargo Bank denies the allegations. Wells Fargo
 9 denies that it discriminates against African American and/or other racial minority customers in the
 10 home lending process.

11 7. Answering paragraph 7, Wells Fargo Bank denies the allegations, and further states
 12 that the conclusion is flawed as stated because it is based on false reasoning. Wells Fargo Bank
 13 specifically denies that its policies and practices discriminate against African American and/or
 14 other racial minority home loan applicants and home mortgage borrowers. Further, over the last
 15 decade, 2011-2020, Wells Fargo Bank has helped as many Black families purchase homes as the
 16 next three largest bank lenders combined.² Additionally, in 2020, Wells Fargo was the largest
 17 bank lender for home mortgages to Black families and helped more Black homeowners refinance
 18 their mortgages than any other bank.

19 8. Answering paragraph 8, Wells Fargo Bank admits only to the existence of certain
 20 written jury verdicts and settlement agreements. The contents of those documents speak for
 21 themselves. To the extent that the allegations of this paragraph contradict or mischaracterize said
 22 documents, Wells Fargo Bank denies those allegations. As to the remaining allegations, Wells
 23 Fargo Bank denies those allegations and further denies that it discriminates against African
 24 American and other racial minority customers in the home lending process.

25 9. Answering paragraph 9, Wells Fargo Bank denies the allegations. Wells Fargo
 26

27 2 <https://newsroom.wf.com/English/news-releases/news-release-details/2022/Wells-Fargo->
 28 Expands-Efforts-to-Advance-Racial-Equity-in-Homeownership/default.aspx

1 Bank specifically denies that its policies and practices discriminate against African American and
 2 other racial minority home loan applicants and home mortgage borrowers. Further, over the last
 3 decade, 2011-2020, Wells Fargo Bank has helped as many Black families purchase homes as the
 4 next three largest bank lenders combined.³ Additionally, in 2020, Wells Fargo was the largest
 5 bank lender for home mortgages to Black families and helped more Black homeowners refinance
 6 their mortgages than any other bank.

7 10. Answering paragraph 10, Wells Fargo Bank denies the allegations. Wells Fargo
 8 Bank specifically denies that its policies and practices discriminate against African American and
 9 other racial minority home loan applicants and home mortgage borrowers.

10 11. Answering paragraph 11, Wells Fargo Bank denies the allegations. Wells Fargo
 11 Bank specifically denies that its policies and practices discriminate against African American and
 12 other racial minority home loan applicants and home mortgage borrowers.

13 12. Answering paragraph 12, Wells Fargo Bank denies the allegations. Wells Fargo
 14 Bank specifically denies that its policies and practices discriminate against African American and
 15 other racial minority home loan applicants and home mortgage borrowers.

16 13. Answering paragraph 13, Wells Fargo Bank denies the allegations, and further
 17 states that the conclusion is flawed as stated because it is based on false reasoning. Wells Fargo
 18 Bank specifically denies that its policies and practices discriminate against African American and
 19 other racial minority home loan applicants and home mortgage borrowers.

20 14. Answering paragraph 14, Wells Fargo Bank denies the allegations, and further
 21 states that the conclusion is flawed as stated because it is based on false reasoning. Wells Fargo
 22 Bank specifically denies that its policies and practices discriminate against African American and
 23 other racial minority home loan applicants and home mortgage borrowers. Further, over the last
 24 decade, 2011-2020, Wells Fargo Bank has helped as many Black families purchase homes as the
 25 next three largest bank lenders combined.⁴ Additionally, in 2020, Wells Fargo was the largest

26
 27 ³ *Id.*

28 ⁴ *Id.*

1 bank lender for home mortgages to Black families and helped more Black homeowners refinance
 2 their mortgages than any other bank.

3 15. Answering paragraph 15, Wells Fargo Bank denies the allegations, and further
 4 states that the conclusion is flawed as stated because it is based on false reasoning. Wells Fargo
 5 Bank specifically denies that its policies and practices discriminate against African American and
 6 other racial minority home loan applicants and home mortgage borrowers. Further, over the last
 7 decade, 2011-2020, Wells Fargo Bank has helped as many Black families purchase homes as the
 8 next three largest bank lenders combined.⁵ Additionally, in 2020, Wells Fargo was the largest
 9 bank lender for home mortgages to Black families and helped more Black homeowners refinance
 10 their mortgages than any other bank.

11 16. Answering paragraph 16, Wells Fargo Bank denies the allegations. Wells Fargo
 12 Bank specifically denies that its policies and practices discriminate against African American and
 13 other racial minority home loan applicants and home mortgage borrowers. Further, over the last
 14 decade, 2011-2020, Wells Fargo Bank has helped as many Black families purchase homes as the
 15 next three largest bank lenders combined.⁶ Additionally, in 2020, Wells Fargo was the largest
 16 bank lender for home mortgages to Black families and helped more Black homeowners refinance
 17 their mortgages than any other bank.

18 17. Answering paragraph 17, Wells Fargo Bank denies the allegations, and further
 19 states that the conclusion is flawed as stated because it is based on false reasoning. Wells Fargo
 20 Bank specifically denies that its policies and practices discriminate against African American and
 21 other racial minority home loan applicants and home mortgage borrowers. Wells Fargo Bank lacks
 22 sufficient knowledge or information to form a belief as to the truth of the allegations regarding JP
 23 Morgan Chase & Co., Bank of America Corp., Rocket Mortgage or “other comparable lenders”
 24 and on that basis, denies them.

25 18. Answering paragraph 18, Wells Fargo Bank denies that Ms. Perkins was subjected
 26

27 ⁵ *Id.*

28 ⁶ *Id.*

1 to racial discrimination. As to all remaining allegations, Wells Fargo Bank lacks sufficient
2 knowledge or information to form a belief as to the truth of the allegations and, on that basis,
3 denies them.

4 19. Answering paragraph 19, Wells Fargo Bank admits that Ms. Perkins' home loan
5 was originally financed by Wells Fargo and that, in September 2021, she "sought to refinance an
6 equity line of credit." Wells Fargo Bank denies that Ms. Perkins "has consistently made payments
7 on her home loan," and that Wells Fargo Bank "subjected her to delay tactics and overt acts of
8 discrimination." As to all remaining allegations, Wells Fargo Bank lacks sufficient knowledge or
9 information to form a belief as to the truth of the allegations and, on that basis, denies them.

10 20. Answering paragraph 20, Wells Fargo Bank denies the allegations. Further, Wells
11 Fargo Bank states that, in September 2021, Ms. Perkins submitted an application to refinance her
12 home loan and home equity loan. However, the application was incomplete, and Wells Fargo did
13 not receive all of the information that it requested from Ms. Perkins to complete its review of her
14 application.

15 21. Answering paragraph 21, Wells Fargo Bank denies that Ms. Johnson was subjected
16 to racial discrimination. As to all remaining allegations, Wells Fargo Bank lacks sufficient
17 knowledge or information to form a belief as to the truth of the allegations and, on that basis,
18 denies them.

19 22. Answering paragraph 22, Wells Fargo Bank denies that Ms. Johnson "has
20 consistently made payments on her home loan," and that she has "never been late on her current
21 home mortgage payment." As to all remaining allegations, Wells Fargo Bank lacks sufficient
22 knowledge or information to form a belief as to the truth of the allegations and, on that basis,
23 denies them.

24 23. Answering paragraph 23, Wells Fargo Bank denies the allegations. Further, Wells
25 Fargo Bank states that Ms. Johnson's home loan was not eligible for a refinance from April 2020
26 to September 2021 due to the loan being in the COVID Special Forbearance program.

27 24. Answering paragraph 24, Wells Fargo Bank denies the allegations. Wells Fargo
28 Bank specifically denies that its policies and practices discriminate against African American and

1 other racial minority home loan applicants and home mortgage borrowers. Wells Fargo Bank also
 2 specifically denies that Plaintiffs were subjected to race discrimination in connection with Wells
 3 Fargo Bank's home lending process. Further, Wells Fargo Bank denies that these claims are
 4 suitable for class treatment and denies that Plaintiffs are entitled to any relief.

5 **II. JURISDICTION AND VENUE**

6 25. Answering paragraph 25, Wells Fargo Bank responds that the allegations are legal
 7 conclusions to which no response is required. To the extent that a response is required, Wells
 8 Fargo Bank denies that it is liable under the Equal Credit Opportunity Act, 15 U.S.C. § 1691 et
 9 seq, the Fair Housing Act of 1968, 42 U.S.C. § 3601 et seq, or the Civil Rights Act of 1866, 42
 10 U.S.C. § 1981.

11 26. Answering paragraph 26, Wells Fargo Bank responds that the allegations are legal
 12 conclusions to which no response is required. To the extent that a response is required, Wells
 13 Fargo Bank does not challenge the subject matter jurisdiction of this Court.

14 27. Answering paragraph 27, Wells Fargo Bank responds that the allegations are legal
 15 conclusions to which no response is required. To the extent that a response is required, Wells
 16 Fargo Bank does not challenge the subject matter jurisdiction of this Court.

17 28. Answering paragraph 28, Wells Fargo Bank responds that the allegations are legal
 18 conclusions to which no response is required. To the extent that a response is required, Wells
 19 Fargo Bank admits that it transacts business throughout the United States, including in this
 20 District. Wells Fargo Bank denies that it conducted "illegal discrimination" or that it "directed its
 21 illegal discrimination and had direct, substantial, reasonably foreseeable, and intended effect of
 22 causing injury to persons residing in, located in, or doing business throughout the United States,
 23 including in this District."

24 29. Answering paragraph 29, Wells Fargo Bank responds that the allegations are legal
 25 conclusions to which no response is required. To the extent that a response is required, Wells
 26 Fargo Bank does not challenge the venue of this Court, but otherwise denies the allegations in the
 27 paragraph and specifically denies that its practices and policies are discriminatory.

28 ///

III. PARTIES

2 30. Answering paragraph 30, Wells Fargo Bank admits that Ms. Perkins' Dacula,
3 Georgia home was financed through Wells Fargo. As to the remaining allegations, Wells Fargo
4 Bank lacks sufficient knowledge or information to form a belief as to the truth of the allegations
5 and, on that basis, denies them.

6 31. Answering paragraph 31, Wells Fargo Bank lacks sufficient knowledge or
7 information to form a belief as to the truth of the allegations and, on that basis, denies them.

8 32. Answering paragraph 32, Wells Fargo Bank admits that it is a national banking
9 association chartered in South Dakota and that it is a bank lender for home mortgages. Wells
10 Fargo Bank denies the remaining allegations.

11 33. Answering paragraph 33, Wells Fargo Bank denies the allegations. Wells Fargo
12 Home Mortgage, Inc. was merged into Wells Fargo Bank in 2004 and no longer exists as a
13 separate legal entity.

IV. FACTUAL ALLEGATIONS

34. Answering paragraph 34, Wells Fargo Bank denies the allegations.

16 35. Answering paragraph 35, Wells Fargo Bank admits that home interest rates reached
17 historic lows in 2020 and 2021, that many homeowners sought to refinance their loans, and that
18 homeowners in the United States refinanced over \$5 trillion worth of mortgages during this time
19 frame.

20 36. Answering paragraph 36, Wells Fargo Bank denies the allegations. Wells Fargo
21 Bank specifically denies that its policies and practices discriminate against African American and
22 other racial minority home loan applicants and home mortgage borrowers.

37. Answering paragraph 37, Wells Fargo Bank denies the allegations. Wells Fargo
Bank specifically denies that its policies and practices discriminate against African American and
other racial minority home loan applicants and home mortgage borrowers.

26 38. Answering paragraph 38, Wells Fargo Bank denies the allegations. Wells Fargo
27 Bank specifically denies that its policies and practices discriminate against African American and
28 other racial minority home loan applicants and home mortgage borrowers.

1 39. Answering paragraph 39, Wells Fargo Bank denies the allegations. Wells Fargo
 2 Bank specifically denies that its policies and practices discriminate against African American and
 3 other racial minority home loan applicants and home mortgage borrowers.

4 40. Answering paragraph 40, Wells Fargo Bank denies the allegations. Wells Fargo
 5 Bank specifically denies that its policies and practices discriminate against African American and
 6 other racial minority home loan applicants and home mortgage borrowers.

7 41. Answering paragraph 41, Wells Fargo Bank denies the allegations. Wells Fargo
 8 Bank specifically denies that its policies and practices discriminate against African American and
 9 other racial minority home loan applicants and home mortgage borrowers. Further, over the last
 10 decade, 2011-2020, Wells Fargo Bank has helped as many Black families purchase homes as the
 11 next three largest bank lenders combined.⁷ Additionally, in 2020, Wells Fargo was the largest
 12 bank lender for home mortgages to Black families and helped more Black homeowners refinance
 13 their mortgages than any other bank.

14 42. Answering paragraph 42, Wells Fargo Bank denies the allegations, and further
 15 states that the conclusion is flawed as stated because it is based on false reasoning. Wells Fargo
 16 Bank specifically denies that its policies and practices discriminate against African American and
 17 other racial minority home loan applicants and home mortgage borrowers. Further, over the last
 18 decade, 2011-2020, Wells Fargo Bank has helped as many Black families purchase homes as the
 19 next three largest bank lenders combined.⁸ Additionally, in 2020, Wells Fargo was the largest
 20 bank lender for home mortgages to Black families and helped more Black homeowners refinance
 21 their mortgages than any other bank.

22 43. Answering paragraph 43, Wells Fargo Bank lacks sufficient knowledge or
 23 information to form a belief as to the truth of the allegations regarding JP Morgan Chase & Co.,
 24 Bank of America Corp., or Rocket Mortgage and on that basis, denies them.

25 44. Answering paragraph 44, Wells Fargo Bank denies the allegations, and further

27 ⁷ *Id.*

28 ⁸ *Id.*

1 states that the conclusion is flawed as stated because it is based on false reasoning. Wells Fargo
 2 Bank specifically denies that its policies and practices discriminate against African American and
 3 other racial minority home loan applicants and home mortgage borrowers. Wells Fargo Bank
 4 lacks sufficient knowledge or information to form a belief as to the truth of the allegations
 5 regarding “other comparable lenders” and on that basis, denies them.

6 45. Answering paragraph 45, Wells Fargo Bank admits that Ms. Perkins purchased her
 7 home in Dacula, Georgia in 2006 and obtained a Wells Fargo home loan in the amount of
 8 \$380,000 (“Home Loan”) and a Wells Fargo home equity loan in the amount of \$71,250 (“Home
 9 Equity Loan”). Wells Fargo Bank specifically denies that Ms. Perkins did not have knowledge of
 10 the Home Equity Loan, and that “she consistently made payments to Wells Fargo from 2006
 11 through 2018.” Wells Fargo Bank further denies that Ms. Perkins’ loan was for \$470,000, and
 12 states that Ms. Perkins’ Home Loan was in the amount of \$380,000, and Home Equity Loan was
 13 in the amount of \$71,250.

14 46. Answering paragraph 46, Wells Fargo Bank admits that it has serviced Ms.
 15 Perkins’ Home Equity Loan from 2006 to the present, and that Specialized Loan Services began
 16 servicing the Home Loan in January 2018. As to all remaining allegations, Wells Fargo Bank
 17 lacks sufficient knowledge or information to form a belief as to the truth of the allegations, and on
 18 that basis, denies them.

19 47. Answering paragraph 47, Wells Fargo Bank admits that Ms. Perkins submitted an
 20 application to refinance the Home Loan and Home Equity Loan in September 2021. As to all
 21 remaining allegations, Wells Fargo Bank lacks sufficient knowledge or information to form a
 22 belief as to the truth of the allegations and, on that basis, denies them.

23 48. Answering paragraph 48, Wells Fargo Bank admits that Ms. Perkins submitted an
 24 application to refinance the Home Loan and Home Equity Loan in September 2021. Wells Fargo
 25 further admits that Ms. Perkins’ application was incomplete, and Wells Fargo did not receive all of
 26 the information that it requested from Ms. Perkins to complete its review of her application. As to
 27 the remaining allegations, Wells Fargo denies them.

28 49. Answering paragraph 49, Wells Fargo Bank denies the allegations.

1 50. Answering paragraph 50, Wells Fargo Bank denies the allegations.

2 51. Answering paragraph 51, Wells Fargo Bank states that it began servicing Ms.
 3 Johnson's loan on December 1, 2016. As to all remaining allegations, Wells Fargo Bank lacks
 4 sufficient knowledge or information to form a belief as to the truth of the allegations, and on that
 5 basis, denies them.

6 52. Answering paragraph 52, Wells Fargo Bank denies the allegations. Further, Wells
 7 Fargo Bank states that Ms. Johnson inquired about a mortgage recast in July 2019, but was
 8 informed that her loan was not eligible for a mortgage recast per the investor of the loan.

9 53. Answering paragraph 53, Wells Fargo Bank denies the allegations.

10 54. Answering paragraph 54, Wells Fargo Bank denies the allegations.

11 55. Answering paragraph 55, Wells Fargo Bank denies the allegations.

12 **V. CLASS ACTION ALLEGATIONS**

13 56. Answering paragraph 56, Wells Fargo Bank responds that paragraph 56 is a
 14 characterization of Plaintiffs' putative class to which no response is required. To the extent that
 15 Paragraph 56 is intended to suggest that Plaintiffs have defined an ascertainable class, Wells Fargo
 16 Bank specifically denies that Plaintiffs have adequately defined the class of persons upon whose
 17 behalf they purport to bring this action, denies that Plaintiffs have or can satisfy the Rule 23 class
 18 action requirements, and denies that nationwide class treatment, or any class treatment for that
 19 matter, is appropriate. To the extent that a further response is required, Wells Fargo Bank denies
 20 the allegations.

21 57. Answering paragraph 57, Wells Fargo Bank responds that paragraph 57 is a
 22 characterization of Plaintiffs' putative class to which no response is required. To the extent that
 23 Paragraph 57 is intended to suggest that Plaintiffs have defined an ascertainable class, Wells Fargo
 24 Bank specifically denies that Plaintiffs have adequately defined the class of persons upon whose
 25 behalf they purport to bring this action, denies that Plaintiffs have or can satisfy the Rule 23 class
 26 action requirements, and denies that nationwide class treatment, or any class treatment for that
 27 matter, is appropriate. To the extent that a further response is required, Wells Fargo Bank denies
 28 the allegations.

1 58. Answering paragraph 58, Wells Fargo Bank responds that paragraph 58 is a
2 characterization of Plaintiffs' putative class to which no response is required. To the extent that
3 Paragraph 58 is intended to suggest that Plaintiffs have defined an ascertainable class, Wells Fargo
4 Bank specifically denies that Plaintiffs have adequately defined the class of persons upon whose
5 behalf they purport to bring this action, denies that Plaintiffs have or can satisfy the Rule 23 class
6 action requirements, and denies that nationwide class treatment, or any class treatment for that
7 matter, is appropriate. To the extent that a further response is required, Wells Fargo Bank denies
8 the allegations.

9 59. Answering paragraph 59, Wells Fargo Bank responds that paragraph 59 is a
10 characterization of Plaintiffs' putative class to which no response is required. To the extent that
11 Paragraph 59 is intended to suggest that Plaintiffs have defined an ascertainable class, Wells Fargo
12 Bank specifically denies that Plaintiffs have adequately defined the class of persons upon whose
13 behalf they purport to bring this action, denies that Plaintiffs have or can satisfy the Rule 23 class
14 action requirements, and denies that nationwide class treatment, or any class treatment for that
15 matter, is appropriate. To the extent that a further response is required, Wells Fargo Bank denies
16 the allegations.

17 60. Answering paragraph 60, Wells Fargo Bank responds that paragraph 60 is a
18 characterization of Plaintiffs' putative class to which no response is required. To the extent that
19 Paragraph 60 is intended to suggest that Plaintiffs have defined an ascertainable class, Wells Fargo
20 Bank specifically denies that Plaintiffs have adequately defined the class of persons upon whose
21 behalf they purport to bring this action, denies that Plaintiffs have or can satisfy the Rule 23 class
22 action requirements, and denies that nationwide class treatment, or any class treatment for that
23 matter, is appropriate. To the extent that a further response is required, Wells Fargo Bank denies
24 the allegations.

25 61. Answering paragraph 61, Wells Fargo Bank responds that paragraph 61 is a
26 characterization of Plaintiffs' putative class to which no response is required. To the extent that
27 Paragraph 61 is intended to suggest that Plaintiffs have defined an ascertainable class, Wells Fargo
28 Bank specifically denies that Plaintiffs have adequately defined the class of persons upon whose

1 behalf they purport to bring this action, denies that Plaintiffs have or can satisfy the Rule 23 class
2 action requirements, and denies that nationwide class treatment, or any class treatment for that
3 matter, is appropriate. To the extent that a further response is required, Wells Fargo Bank denies
4 the allegations.

5 62. Answering paragraph 62, Wells Fargo Bank responds that paragraph 62 is a
6 characterization of Plaintiffs' putative class to which no response is required. To the extent that
7 Paragraph 62 is intended to suggest that Plaintiffs have defined an ascertainable class, Wells Fargo
8 Bank specifically denies that Plaintiffs have adequately defined the class of persons upon whose
9 behalf they purport to bring this action, denies that Plaintiffs have or can satisfy the Rule 23 class
10 action requirements, and denies that nationwide class treatment, or any class treatment for that
11 matter, is appropriate. To the extent that a further response is required, Wells Fargo Bank denies
12 the allegations.

13 63. Answering paragraph 63, Wells Fargo Bank responds that paragraph 63 is a
14 characterization of Plaintiffs' putative class to which no response is required. To the extent that
15 Paragraph 63 is intended to suggest that Plaintiffs have defined an ascertainable class, Wells Fargo
16 Bank specifically denies that Plaintiffs have adequately defined the class of persons upon whose
17 behalf they purport to bring this action, denies that Plaintiffs have or can satisfy the Rule 23 class
18 action requirements, and denies that nationwide class treatment, or any class treatment for that
19 matter, is appropriate. To the extent that a further response is required, Wells Fargo Bank denies
20 the allegations.

21 64. Answering paragraph 64, Wells Fargo Bank responds that paragraph 64 is a
22 characterization of Plaintiffs' putative class to which no response is required. To the extent that
23 Paragraph 64 is intended to suggest that Plaintiffs have defined an ascertainable class, Wells Fargo
24 Bank specifically denies that Plaintiffs have adequately defined the class of persons upon whose
25 behalf they purport to bring this action, denies that Plaintiffs have or can satisfy the Rule 23 class
26 action requirements, and denies that nationwide class treatment, or any class treatment for that
27 matter, is appropriate. To the extent that a further response is required, Wells Fargo Bank denies
28 the allegations.

1 65. Answering paragraph 65, Wells Fargo Bank responds that paragraph 65 is a
2 characterization of Plaintiffs' putative class to which no response is required. To the extent that
3 Paragraph 65 is intended to suggest that Plaintiffs have defined an ascertainable class, Wells Fargo
4 Bank specifically denies that Plaintiffs have adequately defined the class of persons upon whose
5 behalf they purport to bring this action, denies that Plaintiffs have or can satisfy the Rule 23 class
6 action requirements, and denies that nationwide class treatment, or any class treatment for that
7 matter, is appropriate. To the extent that a further response is required, Wells Fargo Bank denies
8 the allegations.

VI. CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF

11 66. Answering paragraph 66, Wells Fargo Bank incorporates its responses to
12 paragraphs 1 through 65 as if fully set forth herein.

13 67. Answering paragraph 67, Wells Fargo Bank responds that the allegations are legal
14 conclusions to which no response is required. To the extent that a response is required, Wells
15 Fargo Bank responds that the Equal Credit Opportunity Act (“ECOA”) is a written statute that
16 speaks for itself. To the extent that paragraph 67 misstates or mischaracterizes the ECOA, Wells
17 Fargo Bank denies those allegations.

18 68. Answering paragraph 68, Wells Fargo Bank responds that the allegations are legal
19 conclusions to which no response is required. To the extent a response is required, Wells Fargo
20 Bank responds that the Equal Credit Opportunity Act is a written statute that speaks for itself. To
21 the extent that paragraph 68 misstates or mischaracterizes the ECOA, Wells Fargo Bank denies
22 those allegations. To the extent that a further response is required, Wells Fargo Bank admits that
23 Plaintiffs were applicants for credit.

24 69. Answering paragraph 69, Wells Fargo Bank responds that the allegations are legal
25 conclusions to which no response is required. To the extent that a response is required, Wells
26 Fargo Bank admits that Wells Fargo Bank is a creditor in some of its relationships.

27 70. Answering paragraph 70, Wells Fargo Bank responds that the allegations are legal
28 conclusions to which no response is required. To the extent that a response is required, Wells

1 Fargo Bank denies the allegations and denies that its policies or practices discriminate against
2 African Americans or other racial minorities at any point in the home lending process.

3 71. Answering paragraph 71, Wells Fargo Bank responds that the allegations are legal
4 conclusions to which no response is required. To the extent that a response is required, Wells
5 Fargo Bank denies the allegations and denies that its policies or practices discriminate against
6 African Americans or other racial minorities at any point in the home lending process.

7 72. Answering paragraph 72, Wells Fargo Bank responds that the allegations are legal
8 conclusions to which no response is required. To the extent that a response is required, Wells
9 Fargo Bank denies the allegations and denies that its policies or practices discriminate against
10 African Americans or other racial minorities at any point in the home lending process.

11 73. Answering paragraph 73, Wells Fargo Bank responds that the allegations are legal
12 conclusions to which no response is required. To the extent that a response is required, Wells
13 Fargo Bank denies the allegations and denies that its policies or practices discriminate against
14 African Americans or other racial minorities at any point in the home lending process.

15 74. Answering paragraph 74, Wells Fargo Bank denies the allegations. Wells Fargo
16 Bank further denies that Plaintiffs or the putative class suffered any damages or injury as a result
17 of the actions or inactions of Wells Fargo Bank and also denies that Plaintiffs or the putative class
18 are entitled to any relief from Wells Fargo Bank. Wells Fargo Bank further denies that class
19 treatment is appropriate.

20 75. Answering paragraph 75, Wells Fargo Bank denies that it discriminates against
21 African American or other racial minority customers in the home lending process. Wells Fargo
22 Bank further denies that Plaintiffs or the putative class suffered any damages or injury as a result
23 of the actions or inactions of Wells Fargo Bank and also denies that Plaintiffs or the putative class
24 are entitled to any relief from Wells Fargo Bank.

SECOND CLAIM FOR RELIEF

26 76. Answering paragraph 76, Wells Fargo Bank incorporates its responses to
27 paragraphs 1 through 75 as if fully set forth herein.

28 77. Answering paragraph 77, Wells Fargo Bank responds that the allegations are legal

1 conclusions to which no response is required. To the extent that a response is required, Wells
2 Fargo Bank responds that the Fair Housing Act is a written statute that speaks for itself. To the
3 extent that paragraph 77 misstates or mischaracterizes the Fair Housing Act, Wells Fargo Bank
4 denies those allegations.

5 78. Answering paragraph 78, Wells Fargo Bank responds that the allegations are legal
6 conclusions to which no response is required. To the extent that a response is required, Wells
7 Fargo Bank admits that the Complaint alleges that certain applicants sought to engage in
8 residential real estate transactions with Wells Fargo Bank. Wells Fargo Bank denies that class
9 treatment is appropriate.

10 79. Answering paragraph 79, Wells Fargo Bank responds that the allegations are legal
11 conclusions to which no response is required. To the extent that a response is required, Wells
12 Fargo Bank admits that African American or other racial minority applicants are members of a
13 protected class under the Fair Housing Act. Wells Fargo Bank denies that class treatment is
14 appropriate.

15 80. Answering paragraph 80, Wells Fargo Bank denies the allegations and denies that
16 its policies or practices discriminate against African Americans and other racial minorities at any
17 point in the home lending process. Wells Fargo Bank further denies that class treatment is
18 appropriate.

19 81. Answering paragraph 81, Wells Fargo Bank denies the allegations and denies that
20 its policies or practices discriminate against African Americans and other racial minorities at any
21 point in the home lending process. Wells Fargo Bank further denies that class treatment is
22 appropriate.

23 82. Answering paragraph 82, Wells Fargo Bank responds that the allegations are legal
24 conclusions to which no response is required. To the extent that a response is required, Wells
25 Fargo Bank denies that its policies or practices discriminate against African Americans and other
26 racial minorities at any point in the home lending process.

27 83. Answering paragraph 83, Wells Fargo Bank denies that it discriminates against
28 African American or other racial minority customers in the home lending process. Wells Fargo

1 Bank further denies that Plaintiffs or the putative class suffered any damages or injury as a result
2 of the actions or inactions of Wells Fargo Bank and also denies that Plaintiffs or the putative class
3 are entitled to any relief from Wells Fargo Bank.

4 84. Answering paragraph 84, Wells Fargo Bank denies that it discriminates against
5 African American or other racial minority customers in the home lending process. Wells Fargo
6 Bank further denies that Plaintiffs or the putative class suffered any damages or injury as a result
7 of the actions or inactions of Wells Fargo Bank and also denies that Plaintiffs or the putative class
8 are entitled to any relief from Wells Fargo Bank.

THIRD CLAIM FOR RELIEF

10 85. Answering paragraph 85, Wells Fargo Bank incorporates its responses to
11 paragraphs 1 through 84 as if fully set forth herein.

12 86. Answering paragraph 86, Wells Fargo Bank responds that the allegations are legal
13 conclusions to which no response is required. To the extent that a response is required, Wells
14 Fargo Bank responds that the Civil Rights Act of 1866 (42 U.S.C. § 1981, *et seq.*) is a written
15 statute that speaks for itself. To the extent that paragraph 86 misstates or mischaracterizes the
16 Civil Rights Act, Wells Fargo Bank denies those allegations.

17 87. Answering paragraph 87, Wells Fargo Bank responds that the allegations are legal
18 conclusions to which no response is required. To the extent that a response is required, Wells
19 Fargo Bank denies the allegations and denies that their policies or practices discriminate against
20 African Americans or other racial minorities at any point in the home lending process.

21 88. Answering paragraph 88, Wells Fargo Bank responds that the allegations are legal
22 conclusions to which no response is required. To the extent that a response is required, Wells
23 Fargo Bank admits that African American and other racial minority applicants are members of a
24 protected class under the Civil Rights Act. Wells Fargo Bank denies that class treatment is
25 appropriate.

26 89. Answering paragraph 89, Wells Fargo Bank denies the allegations and denies that
27 its policies or practices discriminate against African Americans or other racial minorities at any
28 point in the home lending process. Wells Fargo Bank further denies that class treatment is

appropriate.

90. Answering paragraph 90, Wells Fargo Bank denies the allegations and denies that its policies or practices discriminate against African Americans or other racial minorities at any point in the home lending process. Wells Fargo Bank further denies that class treatment is appropriate.

91. Answering paragraph 91, Wells Fargo Bank denies that it discriminates against African American or other racial minority customers in the home lending process. Wells Fargo Bank further denies that Plaintiffs or the putative class suffered any damages or injury as a result of the actions or inactions of Wells Fargo Bank and also denies that Plaintiffs or the putative class are entitled to any relief from Wells Fargo Bank. Wells Fargo Bank further denies that class treatment is appropriate.

92. Answering paragraph 92, Wells Fargo Bank denies that it discriminates against African American or other racial minority customers in the home lending process. Wells Fargo Bank further denies that Plaintiffs or the putative class suffered any damages or injury as a result of the actions or inactions of Wells Fargo Bank and also denies that Plaintiffs or the putative class are entitled to any relief from Wells Fargo Bank. Wells Fargo Bank further denies that class treatment is appropriate.

FOURTH CLAIM FOR RELIEF

93. Answering paragraph 93, Wells Fargo Bank incorporates its responses to paragraphs 1 through 92 as if fully set forth herein.

94. Answering paragraph 94, Wells Fargo Bank responds that the allegations are legal conclusions to which no response is required. To the extent that a response is required, Wells Fargo Bank responds that the California Unfair Competition Law is a written statute that speaks for itself. To the extent that paragraph 94 misstates or mischaracterizes the California Unfair Competition Law, Wells Fargo Bank denies those allegations.

95. Answering paragraph 95, Wells Fargo Bank responds that the allegations are legal conclusions to which no response is required. To the extent that a response is required, Wells Fargo Bank responds that the California Unfair Competition Law is a written statute that speaks

1 for itself. To the extent that paragraph 95 misstates or mischaracterizes the California Unfair
 2 Competition Law, Wells Fargo Bank denies those allegations.

3 96. Answering paragraph 96, Wells Fargo Bank responds that the allegations are legal
 4 conclusions to which no response is required. To the extent that a response is required, Wells
 5 Fargo Bank responds that the California Unfair Competition Law is a written statute that speaks
 6 for itself. To the extent that paragraph 96 misstates or mischaracterizes the California Unfair
 7 Competition Law, Wells Fargo Bank denies those allegations.

8 97. Answering paragraph 97, Wells Fargo Bank denies the allegations. Wells Fargo
 9 Bank denies that it discriminates against African American or other racial minority customers in
 10 the home lending process.

11 98. Answering paragraph 98, Wells Fargo Bank denies the allegations. Wells Fargo
 12 Bank denies that it discriminates against African American or other racial minority customers in
 13 the home lending process.

14 99. Answering paragraph 99, Wells Fargo Bank responds that the allegations are legal
 15 conclusions to which no response is required. To the extent that a response is required, Wells
 16 Fargo Bank responds that the California Unfair Competition Law is a written statute that speaks
 17 for itself. To the extent that paragraph 99 misstates or mischaracterizes the California Unfair
 18 Competition Law, Wells Fargo Bank denies those allegations.

19 100. Answering paragraph 100, Wells Fargo Bank denies the allegations. Wells Fargo
 20 Bank denies that it discriminates against African American or other racial minority customers in
 21 the home lending process.

22 101. Answering paragraph 101, Wells Fargo Bank responds that the allegations are legal
 23 conclusions to which no response is required. To the extent that a response is required, Wells
 24 Fargo Bank denies that it discriminates against African American or other racial minority
 25 customers in the home lending process.

26 102. Answering paragraph 102, Wells Fargo Bank denies that it discriminates against
 27 African American or other racial minority customers in the home lending process. Wells Fargo
 28 Bank further denies that Plaintiffs or the putative class suffered any damages or injury as a result

1 of the actions or inactions of Wells Fargo Bank and also denies that Plaintiffs or the putative class
 2 are entitled to any relief from Wells Fargo Bank. Wells Fargo Bank further denies that class
 3 treatment is appropriate.

4 **VII. REQUEST FOR RELIEF**

5 Plaintiffs' Complaint contains an unnumbered paragraph with subparts (A) through (J)
 6 containing Plaintiffs' prayer for relief, to which no response is required. To the extent that a
 7 response is required, Wells Fargo Bank denies that Plaintiffs are entitled to any relief in this
 8 action.

9 **VIII. JURY TRIAL DEMANDED**

10 Plaintiffs' Complaint contains an unnumbered paragraph containing a jury demand, to
 11 which no response is required. To the extent that a response is required, Wells Fargo Bank denies
 12 that Plaintiffs are entitled to any relief in this action, thus, no jury is required.

14 **AFFIRMATIVE DEFENSES**

15 Wells Fargo Bank hereby alleges the following separate and distinct defenses and
 16 affirmative defenses to the Complaint and the causes of action asserted against Wells Fargo Bank
 17 therein, and without assuming the burden of proof on matters as to which it has no such burden:

18 **FIRST AFFIRMATIVE DEFENSE**

19 (Failure to State a Claim)

20 1. The Complaint fails to state a claim against Wells Fargo Bank upon which relief
 21 can be granted.

22 **SECOND AFFIRMATIVE DEFENSE**

23 (Statute of Limitations)

24 2. Plaintiffs' claims are barred in whole or in part by the applicable statutes of
 25 limitations.

26 **THIRD AFFIRMATIVE DEFENSE**

27 (Failure to Mitigate Damages)

28 3. Plaintiffs failed to take proper and reasonable steps to avoid, minimize, or mitigate
 29 Plaintiffs' alleged damages and, to the extent of such failure, the damages allegedly incurred by

1 Plaintiffs, if any, should be reduced accordingly or eliminated entirely.

2 **FOURTH AFFIRMATIVE DEFENSE**
3 (Laches)

4 4. Plaintiffs' claims are barred, in whole or in part, by the doctrine of laches.

5 **FIFTH AFFIRMATIVE DEFENSE**
6 (Estoppel)

7 5. Plaintiffs are estopped by the action of law or by conduct from maintaining the
8 Complaint filed in this case.

9 **SIXTH AFFIRMATIVE DEFENSE**
10 (Co-Liability)

11 6. Wells Fargo Bank alleges that any injury or damages which may have been sustained
12 by Plaintiffs were proximately caused by the acts, errors or omissions of persons or entities other
13 than Wells Fargo Bank.

14 **SEVENTH AFFIRMATIVE DEFENSE**
15 (Fault of Others)

16 7. If Plaintiffs suffered or sustained any loss, injury, damage, or detriment, the same
17 was directly and proximately caused and contributed to by the breach, conduct, acts, omissions,
18 activities, carelessness, recklessness, negligence, and/or intentional misconduct or intervening acts
of other third parties, and not by Wells Fargo Bank.

19 **EIGHTH AFFIRMATIVE DEFENSE**
20 (Speculative Damages)

21 8. Wells Fargo Bank alleges any damage or loss Plaintiffs did incur as a result of any
22 act or conduct by Wells Fargo Bank would be speculative at best and, thus, too uncertain for
23 recovery.

24 **NINTH AFFIRMATIVE DEFENSE**
25 (Compliance with Law)

26 9. Wells Fargo Bank met or exceeded the requirements of applicable laws, regulations,
27 and standards.

28 **TENTH AFFIRMATIVE DEFENSE**
(Good Faith Conduct/Conformance with Applicable Standards)

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10. Wells Fargo Bank at all times acted in good faith and in conformance with all applicable government and industry standards, rules and regulations, thus precluding any recovery by Plaintiffs against Wells Fargo Bank.

ELEVENTH AFFIRMATIVE DEFENSE
(Lack of Causation)

11. The damages complained of were the result of the intervening actions of others and were not proximately caused by the actions or omissions of Wells Fargo Bank.

TWELFTH AFFIRMATIVE DEFENSE
(Lack of Malice)

12. Wells Fargo Bank specifically denies acting with any willfulness, oppression, fraud, or malice toward Plaintiffs or others.

THIRTEENTH AFFIRMATIVE DEFENSE
(Lack of standing)

13. Plaintiffs' claims are barred because Plaintiffs lack standing to bring them.

FOURTEENTH AFFIRMATIVE DEFENSE
(Improper Representative Action)

14. The Complaint is barred, in whole or in part, because, if Plaintiffs' action is allowed to continue, there is a substantial potential for harm given the unique and individual issues of fact that will predominate adjudication of Plaintiffs' claims, resulting in hundreds, if not thousands, of mini-trials rendering the action completely unmanageable as a putative class action. In addition, the complexity presented by Plaintiffs' claims and the restitution sought violate due process.

FIFTEENTH AFFIRMATIVE DEFENSE
(Res Judicata)

15. Plaintiffs' claims are barred, in whole or in part, by res judicata.

SIXTEENTH AFFIRMATIVE DEFENSE
(Waiver)

16. Plaintiffs' claims against Wells Fargo Bank, if any, are barred by the doctrine of waiver.

SEVENTEENTH AFFIRMATIVE DEFENSE
(Class Certification Improper)

17. The class definition is overbroad, unmanageable, and predominated by individualized issues of fact and law, the result of which should be to deny certification of any proposed class.

EIGHTEENTH AFFIRMATIVE DEFENSE

(Other Defenses – Putative Class Members)

18. Wells Fargo Bank reserves the right to amend or supplement their affirmative defenses to include defenses that may be applicable to other members of the putative class.

OTHER AFFIRMATIVE DEFENSES

19. Wells Fargo Bank has insufficient knowledge or information upon which to form a belief as to whether they may have additional, as yet unstated, defenses available. Wells Fargo Bank expressly reserves the right to assert additional defenses in the event that discovery indicates that such defenses are appropriate.

PRAYER FOR RELIEF

WHEREFORE, Wells Fargo Bank prays for judgment as follows:

1. That judgment be entered in favor of Wells Fargo Bank;
2. That Plaintiffs take nothing by way of their Complaint and the claims asserted herein;
3. That the Complaint, and the claims against Wells Fargo Bank, be dismissed with prejudice;
4. That Wells Fargo Bank be awarded costs of suit, including attorneys' fees incurred in defense of this action; and
5. That Wells Fargo Bank be granted such other relief as the Court deems just and proper.

1 DATED: August 15, 2022

MCGUIREWOODS LLP

3 By: /s/ Alicia A. Baiardo

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CERTIFICATE OF SERVICE

I hereby certify that on August 15, 2022, I electronically filed the foregoing document entitled **DEFENDANT WELLS FARGO BANK, N.A.'S ANSWER TO PLAINTIFFS' CLASS ACTION COMPLAINT** with the Clerk of the Court for the United States District Court, Northern District of California using the CM/ECF system and served a copy of same upon all counsel of record via the Court's electronic filing system.

Dated: August 15, 2022

/s/ Alicia A. Baiardo
Alicia A. Baiardo